

Message Text

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TO AMCONSUL ISTANBUL
INFO AMEMBASSY ANKARA

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E.O. 11652: N/A

TAGS: EFIN, TU

SUBJECT: TSKB REQUEST FOR EXIM CFF

1. WILL CONGEN PLEASE ACKNOWLEDGE AND THANK DEMIREL AND
TOKPINAR OF INDUSTRIAL DEVELOPMENT BANK OF TURKEY
(TSKB) FOR LETTERS AND DATA SENT TO AFRICA AND MIDDLE
EAST DIVISION AND MS. EMMET, EXIMBANK REGARDING POSSIBLE
CFF FACILITY WITH TSKB.

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2. AS CONGEN AWARE EXIMBANK IN PROCESS RESCHEDULING
DEBTS INVOLVING TURKISH OBLIGORS FOR OUTSTANDING MAT-
URITIES DUE BETWEEN JANUARY 1, 1977 AND JUNE 30, 1979.
3. UNDER ITS LEGISLATIVE MANDATE, EXIMBANK IS REQUIRED
TO CONCLUDE THAT REASONABLE ASSURANCE OF REPAYMENT EXISTS
FOR ALL ITS TRANSACTIONS.
4. IT SEEMS APPROPRIATE, THEREFORE, THAT THE DEBT

RESCHEDULINGS BE IN PLACE AND THAT THERE BE A REASONABLE PERIOD OF TIME FOR ASSESSING TURKEY'S ECONOMIC PERFORMANCE UNDER ITS NEW REFORMS, BEFORE WE CONSIDER ADDITIONAL TRANSACTIONS.

5. IN COUNTRY SITUATIONS SUCH AS EXISTS IN TURKEY CURRENTLY, I.E., COUNTRY DEBT RESCHEDULINGS AND ECONOMIC REFORMS TO ADDRESS THE PROBLEMS, IT IS USUAL EXIMBANK PRACTICE TO RESUME OPERATIONS SLOWLY BEGINNING WITH ITS INSURANCE AND GUARANTEE PROGRAMS OF SHORT AND MEDIUM-TERM SUPPLIER CREDITS. THE CFF PROGRAMS ALSO OFFER A GOOD AVENUE FOR RESUMING ACTIVITY.

6. AS THE TURKISH ECONOMY SHOWS EVIDENCE OF SUSTAINED RECOVERY OVER A REASONABLE PERIOD OF TIME, EXIMBANK WOULD BE INTERESTED IN EXPLORING A CFF LINE WITH TSKB AND WILL ALSO CONSIDER THE EXTENSION OF THE AVAILABILITY DATE OF THE INOPERATIVE CFF WITH SYKB. THE AVAILABILITY DATE ON THE LATTER EXPIRES AUG 31 AND WE ARE NOTIFYING SYKB THAT WE CANNOT EXTEND IT AT THIS TIME FOR SAME REASON CITED ABOVE.

7. IN CONNECTION WITH TSKB REQUEST, WE WOULD BE INTERESTED IN LEARNING IF TSKB WOULD BE ABLE TO SUPPLY THE UNCLASSIFIED

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50 PERCENT COMPANION PART OF ANY EXIMBANK LINE FROM ITS OWN RESOURCES. THIS, OF COURSE, WOULD BE PREFERABLE FROM EXIMBANK'S POSITION.

8. EXIMBANK IS CLOSELY WATCHING THE OUTCOME OF THE VARIOUS ECONOMIC REFORM MEASURES IN TURKEY, THE PERFORMANCE UNDER THE IMF STANDBY CREDIT, AND IS INTERESTED IN SUPPORTING US EXPORTS TO TURKEY AS SOON AS CONDITIONS SO WARRANT. CHRISTOPHER

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